OREMEX SILVER INC.

Management's Discussion & Analysis
For the Year Ended November 30, 2014

This Management Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Oremex Silver Inc. ("Oremex" or the "Company") for the year ended November 30, 2014. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended November 30, 2014 and 2013. Oremex's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

This MD&A provides information that the management of Oremex believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of Oremex from management's perspective by interpreting the material trends and activities that affect the operating results, liquidity and financial position of Oremex. All monetary amounts unless otherwise specified are expressed in Canadian dollars. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction with the Caution Regarding Forward Looking Statements below.

The Company was incorporated by articles of incorporation on March 22, 1995 under the Canada Business Corporations Act. The Company's shares are traded on the TSX Venture Exchange under the trading symbol OAG (formerly ORM). Additional information relating to Oremex is available on SEDAR, at www.sedar.com and at the Company's website at www.oremexsilver.com.

General and Outlook

The Company is a Canadian-based mineral exploration company with a focus on the acquisition and development of silver properties in Mexico. The Company presently holds interests in five mineral projects, each with one to multiple mining concessions. The three main properties of interest are Tejamen, San Lucas and Chalchihuites. Tejamen is the Company's flag ship silver property with a NI 43-101 inferred mineral resource.

Previously, the Company was focused on the development of silver and gold properties in Mexico. During the third quarter of fiscal 2011, the Company focused on developing its silver properties only. In fiscal 2012, the Company spun out its gold properties into another public company called Oremex Gold Inc. ("Oremex Gold"). Presently, Oremex Silver Inc. is a pure silver-focus exploration and development company.

In fiscal 2014, the Company performed limited work on its silver properties as it efforts were focused on re-arranging its corporate affairs. In fiscal 2015, the Company will continue to pursue a strategy to maximize the value of its properties with a particular focus on Tejamen. In addition Oremex will continue to evaluate near-term production and joint venture opportunities.

Mineral Properties

Tejamen Property, State of Durango

Tejamen is the Company's most advanced project. The property, located 130 kilometres northwest of Durango, the capital of the State of Durango, consists of 22 mineral concessions covering approximately 1,672 hectares. Access is by paved highway from Durango to Nuevo Ideal, and by 10 kilometres of good gravel road from Nuevo Ideal to Tejamen.

In 2006, the Company released results of a NI 43-101 compliant Technical Report prepared by Wardrop Engineering Inc. ("Wardrop"). Based on the 36,000 meters of reverse circulation drilling completed between December 2003 and November 2005, Wardrop calculated an Inferred Mineral Resource of 50.8 million ounces in 22.6 million tonnes at a grade of 66.9 grams per tonne silver (gpt) and 0.05 gpt gold (a silver-equivalent grade of 69.8 gpt). As this report is no longer current, it should not be relied upon.

Mineral Properties - continued

Oremex owns 100% of the mineral rights at Tejamen. In 2007, the Company's surface access rights expired. The federal government of Mexico holds the surface rights and through the Reforma Agraria ("Agricultural Reform") began a process in 2009 to award surface title. The Company can begin surface access negotiations with the title holders once the award has been made. This title award decision is expected at any time although no formal time line has been provided.

During 2008, the Company completed a new topographical survey in Los Mantos area and relogged core/cuttings to ensure consistency of data, redesigned the pit wall in Los Mantos to minimize impact on the local village and determined equipment requirements for mining. The Company has been assisting various levels of government, municipal, state and federal to ensure that all parties have complete and accurate information.

Tejamen Property, State of Durango – continued

During Fiscal 2009, the Company took a more direct approach in working with the community of Tejamen in support of the awarding of the access rights. The Company has been much more visible in the community and very proactive in having regular dialogue with the community itself to outline the nature of the benefits that mining activity will bring. In April 2009 the Company announced that it had been formally invited by the community of Tejamen to begin a strategic infrastructure program. The program has begun and the Company is funding the hiring of local villagers to upgrade and enhance the local infrastructure.

During 2010, the Company continued to strengthen the support it receives from the local community, through the employment programs it operates within the village. Oremex has been supportive of the Tejamen Community Association's ("TCA") initiative to become the legal owner of the surface title.

During 2011 and 2012, the Company continued to support the Agricultural Reform as they worked to award surface title. Surface title ownership has been awarded to the community in 2012 and the process to negotiate a new Surface Access Agreement has commenced.

San Lucas Property, State of Durango

The San Lucas Property ("San Lucas"), located 86 kilometres north of the city of Durango and accessed via paved highway, consists of 12 mineral concessions covering 1,290 hectares. San Lucas consists of a series of northeast trending mineralized shear zones in volcanic and sedimentary rocks.

In 2005, the Company drilled 19 reverse circulation drill holes totaling 3,042 meters across one of the mineralized zones. Drill holes, spaced approximately 100 metres apart along the northeast striking structure, indicate a disseminated silver-lead-zinc system. The mineralization was traced by drilling for 1,700 metres. Surface mapping has traced the zone for over four kilometres and has identified a separate sub parallel structure.

In 2007, the Company negotiated a long-term lease with the Ejido of San Lucas for the use of surface rights at San Lucas. The Company completed a 7,000 metres reverse circulation drill program to test extensions down dip and along trend of mineralization. That program intersected high grade silver mineralization at surface with a zone of lower grade lead-zinc mineralization at depth. A detailed assessment of results along with historic underground data has lead to the conclusion that there is potential to define a large, low grade deposit of zinc-lead mineralization. Significant higher-grade silver plus base metal mineralization exists at depth. No work was performed on the property during fiscal 2008; however the Company is continuing to hold the property and has identified significant gold mineralization at surface.

During fiscal 2009 the Company re-evaluated this property and as part of that project collected and analyzed 39 chip samples. These samples returned gold values up to 0.77 g/t.

Mineral Properties – continued

San Lucas Property, State of Durango – continued

During 2010, the Company followed up the 2009 results. Field work has been focused to define drill targets to test the gold mineralization present in a silicified dacite dike, which outcrops extensively on the concessions. A total of 220 samples have been collected along the silicified dacite dike, which also has cross cutting mineralized dikes, significantly adding to tonnage potential. The dike has three more intensely mineralized segments; the 330m long North zone reports silver grades as high as 1,856 g/t and gold grades as high as 1.06 g/t. The 800m long Central Zone reports gold grades as high as 1.68 g/t and the 180m long South Zone reports gold grades as high as 0.82 g/t. The mapped strike length of the silicified dacite dike has increased from 1.5km to 2.0 km. Also during the third quarter the Company secured access rights to the San Lucas property for a period of 30 years, renewable at the Company's option for another 30 years.

During fiscal 2011, the Company commenced a first pass drilling program of approximately 2,000 meters. As a result of this program, an independent geologist recommended further drilling to establish resource and follow up high grade zones of 1,856 g/t of silver. During the third quarter of fiscal 2011, the Company spun-out its gold assets into Oremex Gold that included San Lucas mineral concessions with the presence of gold mineralization. Presently, the Company possesses San Lucas mineral concessions with high grade silver mineralization only.

During fiscal 2012, the Company focused on reviewing drill targets for the upcoming core drilling program and continued compiling surface sampling assay results and mapping. In June 2012, the Company received positive results from a surface outcrop sampling program in the El Doctor zone of the San Lucas silver project. The El Doctor zone had not been previously sampled at the surface. In 2007, the Company completed drilling nearby that is being re-examined for a better understanding of the potential of the previously unrecognized gold-silver mineralization. The El Doctor zone is located in the middle portion of the precious metal-mineralized San Lucas trend. Approximately a dozen old surface and underground workings are located in the immediate area, including two shafts.

The mineralization occurs with elevated levels of lead and zinc mineralization. Two parallel gold-silver mineralized shear zones are evident over a strike length of over 270 metres. The mineralized shear zones are approximately 70 metres apart and strike north-easterly, as is typical of the San Lucas trend. The mineralized shear zones range from 5 meters to 10 meters in width where exposed on surface. Base metal sulphides and iron oxides associated with quartz-sericite alteration characterize the mineralized zones which are hosted by volcanic rocks. A total of 90 channel samples were collected and the gold grades range from 0.02 g/t to 110 g/t, averaging 4.4 g/t. The average gold grade of the 89 samples exclusive of the high grade 110 g/t sample is 3.2 g/t. 72 of 90 samples contained gold grades over 0.50 g/t. The silver grades range from trace to 168 g/t, averaging 53.2 g/t. The average silver grade of the 89 samples excluding the high grade 168 g/t sample is 51.9 g/t.

During fiscal 2013, the Company's focus was on the Tejamen Project and in accordance with it's accounting policies, it has written down the carrying value of the San Lucas Property to nil.

Chalchihuites Property, State of Zacatecas

Chalchihuites is a drill-ready exploration project located about 75 kilometres northwest of the state capital city of Zacatecas. Access from either Zacatecas or Durango is by paved highway which skirts the edge of the project. The property consists of four concessions totaling approximately 48.15 hectares and is 100% owned by Oremex Silver Inc.

Mines in the Chalchihuites district have produced silver since colonial times. The property has only seen exploration and production by small miners through those years. A group of miners at the immediately adjacent Dolores mine are producing ores which they ship directly to the smelter at Torreon. The Dolores structure projects onto the

Mineral Properties – continued

Chalchihuites Property, State of Zacatecas - continued

property where it is covered by hillside rubble. Elsewhere in the Chalchihuites district, First Majestic Silver Corporation is continuing with construction of their mine-mill operation and Pan American Silver is adding reserves to their silver producing La Colorado complex.

Mineralization on the Chalchihuites property is hosted by two-parallel, silver, gold and base metal mineralized shear zones, separated by approximately 100 metres and hosted by a granodiorite stock in rhyolite dikes and in limestone adjacent to the stocks . Mineralization can be traced over a WNW zone with a map area of approximately 900 metres long by 200 metres wide. The shear zones have a proven vertical extent of about 300 metres and 75 meters along strike length. Chip samples yielded grades up to 3,540 g/t Ag, 0.99 g/t Au + 1.6% Pb.

In fourth quarter of 2011, the Company commenced a 524 metre (4 hole) underground drill program designed to delineate the extent of the high grade mineralization sampled. In first fiscal quarter 2012, the underground drill program as well as surface mapping and sampling were completed with assay results confirming the presence of high grade mineralization that was previously sampled. Additionally, the Company acquired the Navidad Group concessions adjacent to Chalchihuites silver project. The Navidad Group consists of four exploration concessions totalling 392.53 hectares.

During fiscal 2012, the Company completed the underground and surface mapping and sampling at the Chalchihuites project. The combined surface and underground sampling indicated grades of up to 3,450 g/t silver, 3.4 g/t gold, 0.30% copper, 20.6% lead and 12.5% zinc over sample length ranging from 0.22 to 3.9 metres. The Company is re-applying for an environmental permit in order to support a drill program.

During fiscal 2013, the Company signed an agreement with First Majestic Silver Corp. regarding the Chalchihuites Property as described in the Financing and Activities section of this MD&A. This agreement resulted in a net gain of $354,566 as at November 30, 2013, being the option payments received less the carrying value of the property and as such reduced the carrying value of the property to nil. In fiscal 2014, option payments in the amount of $166,400 were released by the escrow agent as per the agreement.

Qualified Person

Mr. Michael R. Smith, P.Geo., former President and CEO of the Company, has approved the scientific and technical information contained in this MD&A.

Selected Annual Information

The table below provides selected financial information for the Company on a consolidated basis for each of the past three years ended November 30.

		2014		2013		2012
In $000s, except EPS						
Total Revenues	$	nil	$	nil	$	nil
Net Loss	$	339	$	4,482	$	2,363
Net Loss Per Share (basic and fully diluted)	$	(0.002)	$	(0.03)	$	(0.02)
Total Assets	$	13,127	$	12,589	$	16,669
Long-term Debt	$	nil	$	nil	$	455
Mineral Property Interests Expenditures – for the year	$	389	$	691	$	746
Mineral Property Interests – cumulative, net	$	12,766	$	12,376	$	13,943
Dividends	$	nil	$	nil	$	nil

Results of Operations

During the year ended November 30, 2014, the Company reported a net loss of $339,179 ($0.002 per share) compared to a net loss of $4,481,709 ($0.03 per share) reported in fiscal 2013. The significant decrease in net loss from the prior year is a result of a fiscal 2013 $1,666,340 write-down of the San Lucas exploration and evaluation property, and a fiscal 2013 $347,457 write-down of receivables from related parties including Oremex Gold Inc., and a fiscal 2013 $1,674,690 impairment on the investment in Oremex Gold Inc. Offsetting the fiscal 2014 loss were $601,276 of net gains (2013 - $412,876) on the sale of an option to acquire the Company's exploration and evaluation properties as detailed in the Financing and Investing section of this MD&A.

In March 2014, the Company committed to granting 5,050,000 stock options to directors and service providers. The options vest immediately and will be exercisable at $0.05 each until March 19, 2019. The grant of the options is contingent on achieving approval of the stock option plan.

In an attempt to preserve cash flow and working capital the Company reduced its spending in a number of areas during fiscal 2014 and 2013. The result was fiscal 2014 administrative expenses totaling $603,411 (2013 - $1,256,285) impacted by fiscal 2014 decreases in management fees and salaries, investor relations, rent, office expenses and business development expenses.

During the years ended November 30, 2014 and 2013, the Company continued its pure-silver corporate strategy. The Company continues to focus on receiving the surface rights at Tejamen.

Capital Expenditures

Total exploration spending net of capitalized borrowing costs for the year ended November 30, 2014 decreased to $389,682 from $427,396 incurred in fiscal 2013. The decrease is primarily a result of reduced fiscal 2014 exploration work done on the San Lucas, Navidad, Chalchihuities and El Sol exploration and evaluation properties.

Financing and Investing Activities

The Company did not close any equity financing placements in fiscal 2014 and 2013.

Financing and Investing Activities - continued

During the course of the year ended November 30, 2013, the Company sold options to acquire an interest in its exploration and evaluation properties as follows:

On October 25, 2011, the Company signed an option agreement pursuant to which the Company was granted the option to acquire a 100% interest in certain claims located in Chalchihuites, Zacatecas, Mexico. The Company was granted the right to evaluate and explore the property for a period of four years upon signing the agreement and will acquire the 100% interest at the end of this period in exchange for aggregate payments of US$780,000 plus Value Added Tax ("VAT") within the four year period as follows:

i. Payment of US$10,000 upon signing (paid)
ii. Payment of US$10,000 on or before April 25, 2012 (paid)
iii. Payment of US$10,000 on or before October 25, 2012 (paid)
iv. Payment of US$20,000 on or before April 25, 2013 (paid)
v. Payment of US$20,000 on or before October 25, 2013 (paid)
vi. Payment of US$30,000 on or before April 25, 2014 (paid by optionee – see below)
vii. Payment of US$30,000 on or before October 25, 2014 (paid by optionee – see below)
viii. Payment of US$50,000 on or before April 25, 2015 (paid by optionee – see below)
ix. Payment of US$600,000 on or before October 25, 2015

Pursuant to the terms of the agreement, if 100% of the option is exercised, the Company shall pay the vendors a 1% Net Smelter Royalty ("NSR") from the aggregate commercial production of the project up to US$250,000 annually.

On October 23, 2013, the Company signed an agreement with First Majestic Silver Corp. ("First Majestic") pursuant to which the Company will grant to First Majestic an option to acquire each of (i) an undivided 100% registered and beneficial title to the Company's Chalchihuites mineral exploration property and (ii) all of the right, title and interest of the Company in the Navidad mineral exploration property in exchange for the aggregate payment of $1,500,000 as follows:

i. Payment of $150,000 deposit upon signing (received)
ii. Payment of $832,000 within five days of signing (received by the escrow agent with $332,800 released to the Company)
iii. Payment of $518,000 within five days of signing (received)

As both the Navidad and Chalchihuites mineral exploration properties were established as security for the convertible debentures issued on October 9, 2012, the Company signed an Escrow Agreement dated October 23, 2013, whereby First Majestic agreed to deposit with the Escrow Agent the sum of $832,000 (the "Escrow Deposit"), which represents the sum of $250,000 and the maximum aggregate amount of interest payable in cash on the convertible debentures up to and including the maturity date at an interest rate of 16%. On each of October 15, 2013, October 15, 2014, October 15, 2015 and October 15, 2016, $166,400 will be released from escrow. The escrow agent will first pay the interest owing to the convertible debenture holders directly, and will pay the Company the remaining amount (if any).

First Majestic also agreed to pay the remaining option payments to the original optionors of the Navidad-Chalchihuites group concessions starting with the option payment due April 25, 2014.

Should the Company lose title to the Chalchihuites property, the Company will be required to repay all option payments received from First Majestic. The Navidad and Chalchihuites properties have been pledged as security for the long-term debt. The total amount received as at November 30, 2014 pursuant to the Navidad and Chalchihuites option agreements is $1,000,800.

Financing and Investing Activities - continued

On June 20, 2013, the Company entered into an option agreement with Minera Cuicuilco S.A. de C.V. ("Cuicuilco") (an indirect Mexican subsidiary of Freeport-McMoran Copper & Gold Inc.) where Cuicuilco has the right to acquire a 100% interest in the Company's El Sol property located in Durango State, Mexico for cash payments of US$2,000,000 plus Value Added Tax ("VAT") over a three year period as follows:

i. Payment of US$150,000 upon signing (received)
ii. Payment of US$400,000 on or before June 20, 2014 (received)
iii. Payment of US$600,000 on or before June 20, 2015
iv. Payment of US$850,000 on or before June 20, 2016

Pursuant to the terms of the option agreement, Cuicuilco has the right to acquire the property at any time between the signing date and the 3rd anniversary of the signing date. In addition, to maintain the option in good standing, Cuicuilco must pay concession maintenance fees to the Secretaria de Economia in Mexico.

On October 9, 2012, the Company closed a convertible debenture financing for gross proceeds of $727,500 through the issue of 72.75 units with each unit consisting of $10,000 in convertible debentures and 100,000 common share purchase warrants, at a purchase price of $10,000 per unit. Each warrant is exercisable into one common share of the Company at a price of $0.10, expiring in five years from the date of issue. Further details of this transaction are disclosed in the consolidated financial statements for the years ended November 30, 2014 and 2013 in Note 11. The loan was considered to be in default at November 30, 2014 and at November 30, 2013 for failure to meet certain conditions as per the terms of the loan agreement. As a result, the loan has been reclassified to current liabilities and increased to its face value of $727,500.

During fiscal 2014 and 2013, the Company did not raise any proceeds from the exercise of options and warrants.

Summary of Quarterly Results (unaudited)

Three months ended	Nov 30, 2014	Aug 31, 2014	May 31, 2014	Feb 28, 2014	Nov 30, 2013	Aug 31, 2013	May 31, 2013	Feb 29, 2013
Total revenues	$nil	nil	nil	nil	$nil	$nil	$nil	$nil
Net and comprehensive income (loss)	(359,922)	253,401	(121,169)	(111,489)	$(3,679,921)	$(301,294)	$(202,301)	$(298,193)
Net earnings (loss) per share (basic and diluted)	(0.002)	0.002	(0.001)	(0.001)	$(0.03)	$(0.00)	$(0.00)	$(0.00)

During the fourth quarter of fiscal 2014, the Company recorded a net loss of $359,922 ($0.002 per share) as compared to the fiscal 2013 fourth quarter net loss of $3,679,921 ($0.03 per share). The fiscal 2014 fourth quarter loss was largely comprised of a deferred income tax expense of $423,000 (2013 – recovery of $98,201). The fiscal 2013 loss was reflective of the Company's continued efforts to reduce operating costs and the $1,666,340 write-down of the San Lucas, Navidad, Chalchihuites and El Sol exploration and evaluation properties, a $347,457 write-down of receivables from related parties including Oremex Gold Inc., and a $1,674,690 impairment on the investment in Oremex Gold Inc. During the fourth quarter of 2013, the Company's efforts were focused on signing the agreement with First Majestic Silver as discussed in the Financing and Investing section above.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities during 2014 utilized cash of $89,167 (2013 - $391,786). As at November 30, 2014 the Company had cash of $130,988 (2013 - $41,821) and a working capital deficit of $1,223,729 (2013 – $1,050,393).

Liquidity and Capital Resources cont'd

The Company is in the business of exploring for and mining minerals which by its nature involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. All of the Company's mineral properties are located outside of Canada and are subject to the risks normally associated with foreign investment, including increases in taxes and royalties, recognition of contracts, currency exchange fluctuations and political uncertainty.

The Company is subject to various option agreements in connection with the acquisition of mineral interests. Where periodic payments were required under an option agreement to maintain its property interests, by secondary agreement the Company has granted an option to acquire the property interest and has assigned its requirement to pay periodic payments under the original agreement. In order to maintain the Company's mineral concessions and titles in good standing the Company will be required to pay fees semi-annually to the Secretaria de Economia in Mexico. Minimum commitments of approximately $48,000 are due within fiscal 2015; the Company is current on these commitments as at October 30, 2015.

The Company is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Company's planned exploration and development expenditures on existing properties require significant financial resources. The fiscal 2015 and 2016 plan is to advance the Tejamen Property and to pursue joint venture opportunities.

Due to the cease trade order currently in place, the Company has limited opportunity to raise operating funds. The Company is currently working with the respective provincial security commissions to complete its regulatory compliance requirements. It is anticipated that once this restriction is lifted, the Company will actively pursue raising additional funds through the issuance of equity, joint venture opportunities or other financing vehicles that might become available.

Transactions with Related Parties

The Company entered into the following transactions with related parties during year ended November 30, 2014:

(a) The Company shared office space, administrative resources and various costs (collectively the "Shared Costs") with other companies that had common officers and directors. During the year ended November 30, 2014 the Company incurred approximately $NIL (2013 - $80,052) for its share of rent and administrative costs.

(b) Key management includes the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and directors. During the year ended November 30, 2014, the cash compensation paid or payable to key management for services was $98,578 (2013 - $497,920). Regarding the fiscal 2014 cash compensation paid or payable, $58,500 was paid or payable to a company controlled by Bruce Reilly, Chief Financial Officer and the remaining $40,078 was paid or payable to prior key management. Share-based payments to key management for services was $100,000 (2013 – $NIL); the Company committed to granting 5,000,000 stock options to directors; the options vest immediately and will be exercisable at $0.05 each until March 19, 2019; the grant of the options is contingent on achieving approval of the stock option plan; the fair value of the options was estimated using the Black-Scholes option pricing model. Included in accounts payable and accrued liabilities at November 30, 2014 is $180,482 (2013 - $124,204) due to directors and officers for management fees and expense reimbursements. Regarding the November 30, 2014 balance payable, $16,200 is payable to a company controlled by Bruce Reilly, Chief Financial Officer of the Company and the remaining $164,282 was paid or payable to prior key management. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

Transactions with Related Parties – continued

(c) During 2014, a total of $3,631 (2013 - $347,457) of related party receivables were written-off as they were determined to be uncollectible. Of the total, $3,361 (2013 - $335,123) was due from companies that had prior directors and officers in common with the Company and $NIL (2013 - $12,334) was due from a former officer and director of the Company.

(d) Companies controlled by Frank Högel, a director of the Company, hold $480,000 of the long-term debt as at November 30, 2014. During 2014, interest of $76,800 was paid to these companies and as at November 30, 2014, $38,360 is included in interest payable on the consolidated statement of financial position.

(e) During 2013, the Company wrote off its investment in the expired warrants of Oremex Gold Inc. ("Oremex Gold") and the note receivable from Oremex Gold Inc. an associated company.

As at November 30, 2012, the Company held 14,000,000 common shares or approximately 39.94% of the outstanding shares in Oremex Gold Inc. ("Oremex Gold"). The Company had determined that it exercises significant influence over Oremex Gold and therefore accounted for this investment using the equity method. The Company's share of Oremex Gold's earnings or losses is reported in operations. The investment in Oremex Gold was initially estimated at $2,506,000 based on the value of Oremex Gold's shares at the date of acquisition of $0.0179 per share. For the year ended November 30, 2012, the Company recorded a loss of $588,463 relating to this investment. Oremex Gold was considered a related party as it had certain directors and officers in common with the Company. As at November 30, 2012, 8,400,000 shares out of the total of 14,000,000 shares are held in escrow. These shares were scheduled to be released from escrow in increments of 2,100,000 on February 11, 2013, August 11, 2013, February 11, 2014 and August 11, 2014. These shares have not been released from escrow. The shares of Oremex Gold have been halted from trading on the TSX Venture Exchange since June 17, 2013. The share price immediately prior to the trading halt was $0.02. As a result, the Company has determined that the investment in marketable securities of Oremex Gold is impaired. The Company wrote-off the remaining $1,674,690 investment in Oremex Gold to $Nil as at November 30, 2013. Subsequent to November 30, 2013, the Company no longer has any directors or officers in common with Oremex Gold.

On July 26, 2011, the Company received 2,000,000 warrants convertible into 2,000,000 common shares of Oremex Gold Inc. in relation to a sale of gold assets. The warrants had an exercise price of $0.50 per share expiring on July 26, 2013. The fair value of these warrants as at November 30, 2012 was estimated at $1,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 95%; risk free interest rate of 1.15% and expected life of 0.6 years. The warrants expired unexercised on July 26, 2013. The carrying value at that date of $1,000 was therefore written-off.

On July 26, 2011, the Company received a $250,000 promissory note from Oremex Gold Inc. with the balance to be settled by two equal cash payments to the Company due on July 26, 2012 and July 26, 2013. The second of the two payments was not received, thus the Company has determined that the loan is not realizable and wrote-off the remaining $125,000 note receivable balance to $Nil as at November 30, 2013. The expense has been included in write-down of receivables from related parties on the consolidated statement of operations and comprehensive loss.

Subsequent Events

No reportable subsequent events.

Future Accounting Changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after December 1, 2014 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

The Company has not early adopted any of these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

Proposed Transactions

There are no material decisions by the Board of Directors of the Company with respect to any imminent or proposed transactions that have not been disclosed

Financial Risk Management

(a) Currency Risk:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of its expenses are incurred in Mexican Pesos. A significant change in the currency exchange rates between the Canadian dollar relative to the Mexican Peso could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations

At November 30, 2014 and 2013, the Company is exposed to currency risk through the following assets and liabilities denominated in Mexican Pesos:

	November 30, 2014		November 30, 2013	
Cash	MP$	7,689	MP$	2,656
Amounts receivable		62,919		53,505
Accounts payable and accrued liabilities		(52,041)		(37,495)
Total	MP$	18,567	MP$	18,666
Canadian dollar equivalent	CAD$	1,522	CAD$	1,512

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The majority of the Company's cash is held through large Canadian financial institutions and the Company's note receivable is held with a company that has common officers and directors. The Company is also exposed to credit risk on its amounts receivable, which are unsecured. The Company considers the risk of loss to be low. There have been no changes to how management manages credit risk from the prior year.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period. The Company's investment in an associated company may not be easily liquidated as it is an investment in a public company that is cease traded. The Company's expected sources of cash flow in the upcoming year are equity financings. The Company will require additional cash to finance operations. There have been no changes to how management manages liquidity risk from the prior year.

(d) Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has cash and cash equivalent balances maintained in Canada. The Company's current policy is to invest excess cash in GIC's issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank. The Company's long term debt is at a fixed interest rate and is therefore not impacted by changes in interest rates.

Financial Risk Management – continued

(e) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company does not actively manage this risk as it is considered a low risk area as the Company is not a producing entity.

(f) Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period.

- Based on the net exposures as at November 30, 2014, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the Mexican Peso would not result in a material change to the Company's loss. Price risk is remote since the Company is not a producing entity.
- A change in interest rates of 1% would result in a corresponding change in net loss for the year of approximately $1,300 based on the cash balance at November 30, 2014.

Outstanding Share Data

Authorized Capital:

An unlimited number of common shares and an unlimited number of preferred shares issuable in series
Issued and outstanding as at November 30, 2014 and October 30, 2015 are 146,475,695 common shares.

Outstanding warrants convertible securities as at November 30, 2014:

Type of Security	Number	Exercise Price	Expiry Date
Share purchase warrants	600,000	Cdn. $0.10	July 27, 2015
Share purchase warrants	42,000	Cdn. $0.10	July 27, 2015
Share purchase warrants	1,148,200	Cdn. $0.10	August 17, 2015
Share purchase warrants	420,000	Cdn. $0.10	August 27, 2015
Share purchase warrants	13,636,364	Cdn. $0.10	October 1, 2017
Share purchase warrants	7,275,000	Cdn. $0.10	October 9, 2017
Share purchase warrants	5,559,166	Cdn. $0.10	October 19, 2017
Share purchase warrants	275,450	Cdn. $0.10	October 19, 2017
Share purchase warrants	400,258	Cdn. $0.10	October 25, 2017
	29,356,438		

Outstanding Share Data - continued

Outstanding warrants as at October 30, 2015:

Type of Security	Number	Exercise Price	Expiry Date
Share purchase warrants	13,636,364	Cdn. $0.10	October 1, 2017
Share purchase warrants	7,275,000	Cdn. $0.10	October 9, 2017
Share purchase warrants	5,559,166	Cdn. $0.10	October 19, 2017
Share purchase warrants	275,450	Cdn. $0.10	October 19, 2017
Share purchase warrants	400,258	Cdn. $0.10	October 25, 2017
	27,146,238		

Outstanding options as at November 30, 2014:

Type of Security	Number	Exercise Price	Expiry Date
Stock options	50,000	Cdn. $0.10	July 29, 2015
Stock options	150,000	Cdn. $0.32	April 26, 2016
Stock options	100,000	Cdn. $0.19	November 9, 2016
	300,000		

Outstanding options as at October 30, 2015:

Type of Security	Number	Exercise Price	Expiry Date
Stock options	150,000	Cdn. $0.32	April 26, 2016
Stock options	100,000	Cdn. $0.19	November 9, 2016
	250,000		

Risks and Uncertainties

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

The Company currently has no revenues from operations and no mineral reserves. The Company also has a low cash balance. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. The only sources of future funds presently available to the Company are the sale of additional equity capital, issuance of debt, selling or leasing the Company's interest in a property or the entering into joint venture arrangements or other strategic alliances in which the funding sources could become entitled to an interest in the properties or the projects. The Company's capital resources are largely determined by the strength of the junior resource market and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There is no assurance that the Company will be successful in raising additional funds in the future. If the Company does not have the necessary capital to meet its obligations under its contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Company does not have sufficient funds to pursue its exploration programs, the viability of the Company could be jeopardized.

Risks and Uncertainties - continued

Beyond exploration and funding risk, the Company is faced with a number of other risk factors as detailed in this Annual MD&A.

October 30, 2015